

AXTEL signs loan with Banorte

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San Pedro Garza García, April 3, 2003 - AXTEL, S.A. de C.V. signed an agreement with Banco Mercantil del Norte, an affiliate of Grupo Financiero Banorte, to obtain a three-year loan for US\$ 75 million.

Tomás Milmo Santos, AXTEL's CEO and Chairman of the Board, and Othón Ruiz Montemayor, CEO of Grupo Financiero Banorte, signed the agreement that would enable the telecommunications company to continue its financial strengthening process.

"This agreement is one of the financial restructuring operations that allow us a US\$ 400 million reduction in our debt, giving us an outstanding position as a telecommunications company. The support of Grupo Financiero Banorte has made it possible to carry out expansion projects that will help consolidate our leadership," said Tomás Milmo Santos.

On the other hand, Othón Ruiz Montemayor said, "It's important to Banorte to take part and contribute to AXTEL's financial strengthening through structured loan operations that will allow it to grow in the telecommunications industry of the country."

Other executives witnessing the occasion for AXTEL included Patricio Jiménez Barrera, Finance, Administration and Human Resources Director; and members of the Board: Lorenzo Zambrano Treviño, Alberto Santos de Hoyos and Tomás Milmo Zambrano.

Representatives of Grupo Financiero Banorte at the event included Manuel Sescosse Varela, General Banking Director; Antonio Ortiz Cobos, General Corporate Banking Director; and Samuel Scott, Executive Structured Financing Director.

ABOUT GRUPO FINANCIERO BANORTE

Grupo Financiero Banorte is a Mexican institution that offers such services as: banking, leasing, factoring, brokerage house, insurance, afores (pension funds), as well as other financial services. Its subsidiary, Banco Mercantil del Norte, S.A. de C.V. was established in 1899 in Monterrey, N.L., where the institution is currently based, and has nationwide coverage through 1,069 branches and 2,508 ATMs.

Grupo Financiero Banorte remains a Mexican company run by the same group of investors who acquired it in 1992. Its total assets at the close of 2002 earned it a ranking of fourth in the entire domestic financial system. During 2002, the institution's share value rose 17 percent making it the top ranking financial institution in Latin America.

ABOUT AXTEL

AXTEL is a Mexican telecommunications company that offers such services as: local telephone service, domestic and international long distance, internet and added value services. It contributes basic telecommunications infrastructure to the country through an intelligent network to offer wide coverage in every market. The company has offices and services in Guadalajara, León, Mexico City, Monterrey, Puebla and Toluca.

AXTEL offers a variety of access technologies that include wireless phone service, station-to-station and station-to-multiple stations radio links, and fiber optics to suit its clients' communication solution needs.

AXTEL website: <http://www.axtel.com.mx>

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